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C O N F I D E N T I A L SECTION 01 OF 04 TAIPEI 000433

SIPDIS

E.O. 12958: DECL: 04/08/2019
TAGS: [PREL](#) [PGOV](#) [ETRD](#) [PINR](#) [ECON](#) [WHO](#) [TW](#) [CH](#) [US](#)
SUBJECT: CROSS-STRAIT POLICY UNDER PRESIDENT MA YING-JEOU

REF: A. BEIJING 666
[1](#)B. TAIPEI 280

Classified By: Director Stephen M. Young for reasons 1.4(b/d)

Summary

[1](#)1. (C) Ma Ying-jeou is the central player in a vigorous, if at times poorly coordinated, effort to reshape Taiwan,s ties with China. While his approach to cross-Straits issues represents a dramatic shift from that of his predecessor, it is evolutionary rather than revolutionary. Ma will focus on economic and other issues that affect the lives of ordinary citizens, deferring any decision on the political issues at the core of the cross-Straits dispute for the foreseeable future. This methodical, pragmatic policy reflects Ma's personal style as well as his political assessment that there is little support in Taiwan's deeply divided population for closer political ties to China. End Summary.

Taiwan,s China Desk Officer

[1](#)2. (C) President Ma Ying-jeou's March 13 comment in an interview with the United Daily News that Taiwan will begin talks with China on World Health Assembly observer status for the island, and Chinese Premier Wen Jiabao's comment on the subject the same day (ref A), underscore the extent of cross-Straits warming since Ma's March 2008 election. A lawyer by training and inclination, Ma was criticized early in his tenure for deferring to his Premier on economic and disaster relief issues. While defensible from a constitutional law perspective, the move was not well-received, with voters demanding that he personally take the lead on key decisions facing the island.

[1](#)3. (C) On foreign relations and cross-Straits issues, however, Ma has been hands-on from the very beginning of his administration. As President, he takes full advantage of the powers the Taiwan constitution clearly delegates to the President in these areas and of the political mandate he believes his landslide victory gave him. Indeed, Ma has been criticized for relegating the decision-making process on China policy to a very close circle of advisors, most notably NSC Secretary General Su Chi.

Other Players in Cross-Straits Policy

[1](#)4. (C) P.K. Chiang, head of the quasi-official Straits Exchange Foundation (SEF) that serves as Taiwan's primary conduit for talks with China, has a say in policy, but his organization lacks technical expertise and staffing. The

Mainland Affairs Council (MAC) coordinates cross-Strait negotiations, but relies on technical experts from economic ministries in talks with China. MAC Chairwoman Lai Shin-yuan does not have a central role in policy-making although her views are heard. MOFA likewise plays little role, with MOFA officials admitting they are struggling to demonstrate their relevance in an age of Ma's "diplomatic truce."

15. (C) At a political level, Ma sought to limit the influence of former Vice President Lien Chan by replacing him with current party Chairman Wu Po-hsiung as head of Taiwan's delegation at the December 2008 KMT-CCP Forum in Shanghai. Nevertheless, the still ambitious Lien, who represented Taiwan at last November's APEC Senior Officials Meeting and could well reprise the role in the future, does not see his role as merely implementing Ma's policies. Finally, Legislative Yuan (LY) Speaker Wang Jin-pyng seeks a larger role for himself in cross-Strait policy. Ma has rebuffed Wang, but will need to be more accommodating to secure legislative approval of cross-Strait agreements now under discussion. (Note: There is apparently an internal debate at this time as to whether Ma should bid to resume the Chairmanship of the KMT party when current Chair Wu Pu-hsiung's tenure ends in June. One strong argument for Ma doing so is that he would be better able to unify China policy under his direction.)

16. (C) The number of actors with a stake in China policy (ref B describes Taiwan's economic policy agencies) makes it difficult for Ma and Su Chi to completely control the government's message. This, coupled with active (and

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inventive) media, means a certain amount of "white noise" and missteps is unavoidable. Examples include the SEF announcing that Ma's proposed Economic Cooperation Framework Agreement (ECFA) would be on the agenda of the next SEF-ARATS talks at almost the same time MAC was telling reporters it would not, and FM Ou's admission to the Director that he had not instructed Taiwan's overseas missions how to implement the President's "diplomatic truce" initiative because the President had never explained what exactly it meant.

Taiwan Society Divided over China

17. (C) Public opinion polls show only single-digit support among Taiwan voters for either immediate independence or reunification, with a large majority content to see the political status quo prevail for the foreseeable future. This reflects a pragmatic assessment that Taiwan's economic future is inextricably linked to the PRC and the understanding that, although closer political ties are unpalatable, de jure independence is not a realistic option. Polls also make clear that the number of those on Taiwan who identify themselves as exclusively Chinese is dwindling while those who see themselves as exclusively "Taiwanese" has risen. This ensures that cross-Strait policy will remain a deeply divisive political issue for some time to come.

18. (C) The result, at a partisan political level, is that the opposition Democratic Progressive Party (DPP) has become the voice of those who worry that President Ma is going too far, too fast. Frustrated by electoral rules that give it roughly one-quarter of the seats in the LY despite having won 40% of the popular vote, though, the DPP can do little from within the system to thwart the President. Instead, the DPP can be expected to protest almost any cross-Strait policy President Ma proposes. One proof of this was the DPP's criticism of the "three links" agreements signed last November, despite the fact that the agreements had been negotiated largely under the Chen administration.

19. (C) For his part, even with his considerable mandate for change, Ma is attuned to public opinion and can be expected to adjust the speed or direction of improvement of relations

with China if polling shows ordinary people on Taiwan are dissatisfied. Some public unease is caused by the fact that Ma has not clearly laid out the long-term goal of his cross-Strait policy, defining it instead by what it is not) "no independence, no reunification and no war." Without question, there is some tension between his insistence on preserving the political status quo while, at the same time, significantly improving ties with China.

¶10. (C) In the near term, Ma's goals are clear) to reduce tensions, minimize the risk of conflict, and prevent Taiwan from becoming economically, politically, or militarily marginalized to the extent that it will be unable to resist PRC coercion. Experts realize that enhanced cross-Strait economic ties will deliver significant benefits only in the medium- and long-term. Candidate Ma's optimistic campaign rhetoric and pre-economic crisis promises regarding the short-term economic benefits of cross-Strait rapprochement helped inflate public expectations to unrealistic levels. Disappointment over the modest fruits of closer economic relations with China thus far has been the predictable result.

Substance over Style

¶11. (C) Rhetoric matters in the theology of cross-Strait relations, and the opposition has seized on Ma's efforts to defer to Beijing's sensibilities or sidestep disagreements on issues such as nomenclature. They have cited these as proof that the President is sacrificing Taiwan's sovereignty in the interest of short term political gains or, more conspiratorially, as part of a conscious effort to make Taiwan part of the PRC. For example, during the November 2008 visit of Chen Yunlin, Ma met with the ARATS Chairman, even though Chen did not agree to address him as &Mr. President." Responding to DPP critics, Ma argued that the fact a Minister-level PRC official met with him showed that China no longer denied Taiwan's sovereignty. (Note: While Chen did not specifically address Ma as the President, he was in the room when "President Ma's" arrival was announced.)

¶12. (C) Likewise, by dropping the -- by all evidence --

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quixotic effort by the previous administration to secure formal membership in UN agencies and other international organizations, Ma is calculating that the benefits of meaningful participation under terms to be hammered out with Beijing outweigh the gains to be had from a firm but isolating insistence on principle. This strategy appears to be paying off, with Taiwan gaining access to the WHO's communication infrastructure for the International Health Regulations (IHR), but the first significant test will come at the May meeting of the World Health Assembly. It is not clear whether or to what extent Ma's team has discussed the details of a deal with Beijing. The President appears confident, though, that China will offer an acceptable solution rather than risk strengthening the DPP and others who would cite the failure to reach a deal as proof that Ma's conciliatory policy had failed.

¶13. (C) This emphasis on substance over style affects Taiwan's relations with the United States as well. Ma's predecessor, Chen Shui-bian, saw Washington as a central front in the cross-Strait rivalry, and much of Taipei's diplomatic energy was spent pursuing symbolic signs of support. So far, Ma has been true to a pledge of "no surprises" in relations with the United States. How the two Presidents handled U.S. transits is instructive. Chen's transits, with each stop and each event freighted with political symbolism, put a serious strain on our relations. In contrast, when Ma transited the United States twice on his way to and from a Presidential inauguration in Paraguay last August, his low-key stops left barely a ripple at a time when a higher profile might have distracted attention from the Beijing Olympics and become a major complication in

U.S.-PRC relations. Ma is not interested in the PR victories Chen believed he scored during his high-profile transits. Instead, President Ma hopes the tangible benefits of a surprise-free relationship with Washington will bolster his popularity at home and his ability to negotiate confidently with Beijing.

Economics over Politics

¶14. (C) Economically, with tens of billions of dollars invested in China and hundreds of thousands of businesspeople living and working there, Taiwan is already closely tied to China. China has now eclipsed the U.S. and Japan as Taiwan's number one trading partner, and President Ma believes the island's economic future depends on deepening this relationship through agreements on cross-Strait travel and shipping, financial services and an Economic Cooperation Framework Agreement (ECFA). In the short run, the global economic downturn has made this a tough sell and has made many of his campaign pledges appear wildly optimistic. For example, initial projections that direct cross-Strait flights would bring 3,000 PRC tourists to Taiwan each day were exaggerated.

¶15. (C) Similarly, not everyone on Taiwan sees expanded economic engagement and integration with China as an unalloyed boon. Some, primarily from the political opposition have sharply criticized expanded trade ties, tapping into fears of those involved in sectors such as agriculture and low-end manufacturing that would fare poorly if forced to compete directly with PRC imports. Nevertheless, it is clear that the trend toward closer cross-Strait economic integration - already well underway before Ma took office - will continue to accelerate. Meanwhile, in the midst of a whirl of discussion of economic and commercial agreements, the only "political" issue Ma has taken on thus far has been Taiwan's ability to observe WHO activities, kicking tougher political and military issues into the distant future.

Evolution over Revolution

¶16. (C) While Ma's pragmatism represents a significant change from his predecessor's confrontational approach, his policy is nonetheless essentially conservative. He believes that, while confrontation weakens Taiwan economically, militarily and politically, a policy of rapprochement does not imply a change in the political status quo. Having accepted the "1992 Consensus" (one China, defined by each side in its own way), the President defers talk of reunification to his children, or grandchildren, once the PRC's political system

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is more compatible with Taiwan's. At times, Ma talks about using Taiwan's "soft power" to bring about this change, citing Taiwan as proof that democracy is compatible with Chinese culture and that a peaceful transition from authoritarian rule to an open civil society is possible. He frequently couches the value of cross-Strait tourism, educational and cultural exchanges in these terms, arguing that PRC visitors who watch Taiwan television will return home asking why such freewheeling news coverage is impossible there. Put simply, though, Ma does not expect fundamental changes to be realized in the foreseeable future, and is content to work on this process step-by-step.

YOUNG